

CEO Message



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Resona Holdings, Inc.

Accelerating Our Initiatives to Realize “Retail No. 1”

Introduction

First of all, I would like to express my sincerest gratitude to all those who support our operations.

After a long period of economic struggle under the global shadow of the COVID-19 pandemic, initiatives to exit from pandemic-related restrictions are now gaining full momentum both in Japan and overseas.

Nevertheless, the business environment remains uncertain and its outlook unclear due to the acceleration of global inflation and other negative consequences attributable to a rise in geopolitical risks. Furthermore, we are now confronted by structural changes arising from such megatrends as widespread digitalization and increased data utilization as well as growing public calls for decarbonization and other sustainability measures. These changes are likely to continue over the long term. Moreover, the emergence of these trends is coming at a time when society is still reeling from the profound impact of the pandemic and other major once-in-a-century events. Accordingly, we expect that the issues our customers and regional societies are now confronting will become more diverse and complex, requiring even more sophisticated solutions.

In times of change like this moment, the Resona Group's priority is securing ongoing and further growth in tandem with customers, shareholders, regional societies and all other stakeholders. To that end, we deem it important to courageously take on challenges ourselves and agilely adapt to the changes we confront.

A Milestone Marking 20 years of Reform

In 2023, the Resona Group will mark a new milestone, having reached 20 years of operations since the injection of public funds in 2003 in accordance with the Deposit Insurance Act, an event that initiated the “Resona Rehabilitation.” The proportion of employees who have been part of our workforce since then is now short of 30% of our total headcount. At the same time, a number of individuals who joined the Group after 2003 are currently emerging as senior manager candidates. The “Resona Reform” began with intensive rehabilitation efforts that spared nothing, leaving no stone untouched. Guided by our “DNA of reform,” we implemented a variety of measures with the question of how to best serve our customers as the starting point. As we now mark a milestone that connects past, present and future, I personally find reflecting on these 20 years of reforms since 2003 to be quite significant.

First and foremost, we must never forget this fact; the Resona Group as it is today is the product of the ongoing support of

Importance of Governance

I would like to touch on my first-hand experience of the so-called “Resona Shock” and share what I felt in the course of handling tasks associated with the Resona Reform and the repayment of public funds as an employee assigned to a department in charge of corporate planning. The true cause of the Resona Shock was, ultimately, shortfalls in the Group’s corporate governance and risk management.

A bank cannot protect its customers or anybody else if it is incapable of maintaining an autonomous and unflinching corporate standing or conducting independent business management

DNA of Reform

The Resona Shock also reflected the Group’s failure to break away from conventional ways of thinking and customs as well as its dependence on precedence to determine future actions. This failure left the Group incapable of adapting to major changes in social and industrial structures. A corporation, like a living organism, is sustainable only if it succeeds in continuously adapting to the changing external environment. Today, we are at a point of profound transition and can expect to see the rapid and ongoing emergence of structural changes. As social and

customers, shareholders and regional societies over the course of those 20 years. Despite the passage of time, we need to continue to cultivate a sense of gratitude for this support and nurture a strong commitment to our mission by sincerely taking heed of the lessons we have learned over this course of history, assiduously passing down insights gained to future generations as the Resona Group’s “DNA” and utilizing these insights to achieve further growth. I believe that all of this constitutes an integral part of the responsibilities to be borne by every and each one of our acting Resona Group officers and employees. Furthermore, when restructuring led to the departure of more than 4,000 of their colleagues, the remaining members of our workforce strove in unison to overcome difficult circumstances. In this way, the Group’s rehabilitation was also supported by the dedication of individual officers and employees. I believe that this is another memory that we must hold fast.

irrespective of circumstances. Because of this, a bank should continuously strive to upgrade its functions related to governance, corporate ethics, compliance and risk management, which together constitute foundations of business management and support its ability to protect the invaluable assets entrusted to it by customers. This is the most important lesson I have learned from my own experience. Accordingly, going forward, I will continue to cherish independence as well as autonomy, both of which require self-discipline.

industrial structures shift, customers’ modes of financial behavior will change. This, in turn, will prompt changes in the rules of a game that we have long grown accustomed to playing by rote.

Given these expectations, it is important that we maintain a sound sense of shared crisis, choose not to be content with status quo and break away from ways of thinking that place greater value on maintaining harmony than taking on challenges. Therefore, we need to ensure that we practice such basics as “Thoroughly understanding customer circumstances,” “Employing an overarching perspective that takes the entire situation into account,” “Thinking on a long-term timespan,” “Aligning our approach to address changes,” “Thinking for ourselves based on external lessons,” and “Decisively taking action” so that they are entrenched in our corporate culture. If we are to deliver new value to customers, it is imperative that the Resona Group is able to quickly orient itself to changes in the landscape. Success in this area will ensure that the Resona Group will remain capable of protecting its customers while achieving sustainable growth.

Leveraging strengths arising from our “DNA of Reform,” we will, as a financial group, continue courageously taking on challenges and adapting to changes even as we shift away from dependence on conventional wisdom and value systems.

Value of Experience Gained in the Course of Rehabilitation

At one point, it was a struggle for the Resona Group to find ways to achieve rehabilitation while repaying public funds, which amounted to ¥3,128.0 billion at their peak, a sum that some had believed would never be fully repaid. However, in 2015, the Group completed the full repayment of these funds. Our journey toward rehabilitation left us with a wealth of valuable experience

that should never be forgotten. Accordingly, passing down lessons learned to the next generation of Group employees is an important mission for the current management team. We will translate this experience into a driving force supporting our endeavors to move the Resona Group forward and discover opportunities in the midst of adversity.



Establishment of the Purpose and a New Conceptual Structure

Today, the world is facing a profound moment of transition. Over the course of the next decade, the Resona Group will be called upon to prove itself genuinely capable of adapting to a changing world. We will be leaving the previous stage of rehabilitation behind and stepping forward to take on the new challenge of realizing “Retail No. 1.”

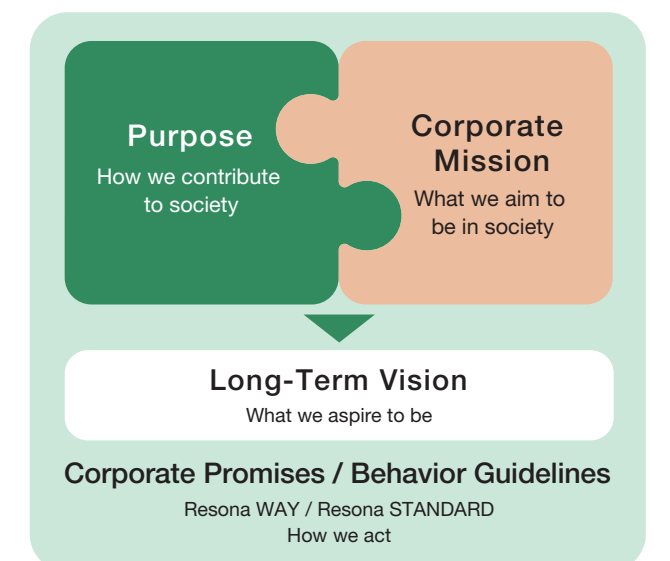
In this present era, business leaders can no longer expect the “right answers” to various challenges to be readily available to them. I feel that, to survive and prevail in these circumstances, it will be incumbent upon all Group officers and employees to once again clarify the concepts they rely upon and share the results of this clarification with their colleagues. The recent establishment of the Purpose, along with the reorganization of the Group’s conceptual structure, is aimed at providing a base from which the Resona Group can make a fresh start on initiatives aimed realizing “Retail No. 1.”

Our Purpose, “Beyond Finance, for a Brighter Future,” clarifies our commitment regarding “how we contribute to society,” starting from addressing issues our customers and society as a whole are confronting and representing our determination to fulfill this commitment. The Purpose was formulated by verbalizing underlying concepts supporting the Group’s operations. We aim to take an approach finely tuned to the needs of customers and society and to deliver diverse value by taking advantage of a wealth of ideas that transcend the conventional scope of finance. Moreover, we would like to work together with all stakeholders to create a brighter, more hopeful future in which people can live with peace of mind irrespective of changes in society. The Purpose encapsulates the strong aspirations behind these endeavors.

On the other hand, our Corporate Mission represents what we aim to be, and what we do, in society and is intended to be upheld first by corporate leaders, and then by our entire workforce.

Our Corporate Mission has been and is cherished by the Group, and we are strongly determined to pass it down to the next generation, without amending a single word, in order to preserve the lessons learned in the course of recovery from the “Resona Shock” as an integral component of the Group’s “DNA.”

Our Purpose, along with our unwavering Corporate Mission and Long-Term Vision of realizing “Retail No. 1,” is expected to serve as a cornerstone to be relied on by all of us whenever we face challenges or find ourselves lost so that we can regain confidence to move forward.



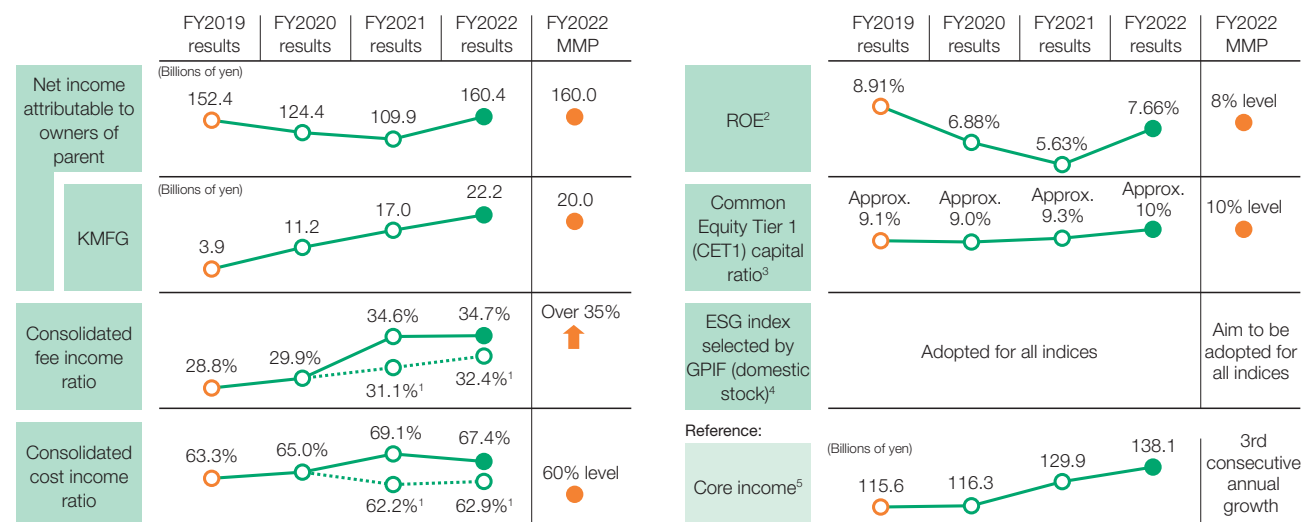
Review of the Previous Medium-term Management Plan (MMP)

Before discussing the new medium-term management plan (MMP), which was announced in May 2023 along with our Purpose and is expected to span the three years from FY2023 to FY2025, I would like to briefly review the outcomes of the previous MMP that started in FY2020 and ended in FY2022.

Under the previous MMP, we worked to establish a “Resonance Model,” to this end implementing (1) the further development of existing businesses, (2) taking on the new challenge of breaking free of the bank model and (3) rebuilding our foundations. Despite the ongoing COVID-19 pandemic and worldwide market fluctuations causing a harsher than expected business environment, net income attributable to owners of parent for the final year of this MMP amounted to ¥160.4 billion, meeting the target (¥160.0 billion) we had set. With regard to management integration involving Kansai Mirai Financial Group (KMFG), which became a wholly owned subsidiary in April 2021, we were successful in empowering KMFG to grow into a significant contributor to Resona Holdings’ consolidated

profit via the realization of synergetic effects regarding the two aspects of top-line income and costs. Meanwhile, our Common Equity Tier 1 (CET1) capital ratio reached 10% due to our progress in enhancing capital adequacy, which has long been an issue confronting the Resona Group. In addition, we have successfully maintained Resona Holdings’ inclusion into all the domestic ESG stock indices selected by the GPIF, a target we set from an ESG perspective.

On the other hand, although ROE (based on total shareholders’ equity) recovered to 7.66%, it has yet to reach our target of 8%. Also, our targets for consolidated fee income ratio and cost income ratio have yet to be met. However, we have made a turnaround in core income in FY2020 for the first time in 12 fiscal years as a result of ongoing income and cost structure reforms—the foremost priority under the previous MMP—and achieved a third consecutive year of growth in this indicator. As such, reforms progressed steadily and, I believe, have contributed to the ongoing positive trend supporting our transition to the new MMP.



1 Excluding the impact of measures undertaken to improve the soundness of the securities portfolio
 2 Net income attributable to owners of parent / Total shareholders’ equity (simple average of the balances at the beginning and end of the term)
 3 Based on the full enforcement of the finalized Basel 3 regulations under the international standard; excluding net unrealized gains on available-for-sale securities
 4 FTSE Blossom Japan Index, FTSE Blossom Japan Sector Relative Index, MSCI Japan ESG Select Leaders Index, S&P/JPX Carbon Efficient Index Series, MSCI Japan Empowering Women Index, and Morningstar Japan ex-REIT Gender Diversity Tilt Index
 5 The sum of net interest income from domestic loans and deposits, fee income and operating expenses

Long-Term Strategic Direction and the New MMP

In formulating the new MMP, we set the direction of our long-term strategies as “Structural Reforms: Corporate Transformation (CX).” Based on our vision of what we intend to have achieved 10 years into the future, we employed a back-casting approach to create the new MMP. The three-year period of the new MMP was then defined as “the first 1,000 days of taking on CX” to realize “Retail No. 1.” Rallying the overall strength of the Resona Group, we have thus started implementing forward-looking CX initiatives.

I will elaborate on the concepts underlying the new MMP. First, the pursuit of CX is imperative. I have repeatedly stated during the course of, or even before, the previous MMP that we need to eliminate gaps between our conventional earnings

structure and our operational structure, the latter of which is dependent on traditional concepts, conventional frameworks and a standard cost structure. Such change is unavoidable if we are to solidify our pathway toward becoming “No. 1” in next-generation retail financing. At the same time, these undertakings could prove pointless unless we take a forward-looking approach ahead of changes in the times and aim to achieve structural transformation. Accordingly, we will stay focused on addressing issues our customers are confronting while accelerating the enhancement of the Group’s earnings power and the diversification of its earnings sources.

This means that we will strive to significantly raise our consulting capabilities even as we enhance our financing capabilities.

Simultaneously, we will promote further business development via, for example, the integration of face-to-face and digital channels. In addition, we will take on such new challenges as those aimed at achieving inorganic growth, with the aim of rebuilding an optimal income mix that will, in turn, empower the next generation of the Resona Group. Also, we will transition from a conventional mode of operations supported by various structures, mechanisms, business processes and systems largely built on traditional concepts, to new management platforms capable of supporting next-generation retail financing. These are components of our CX aimed at resolving gaps between what we have been to date and what we aim to be going forward.

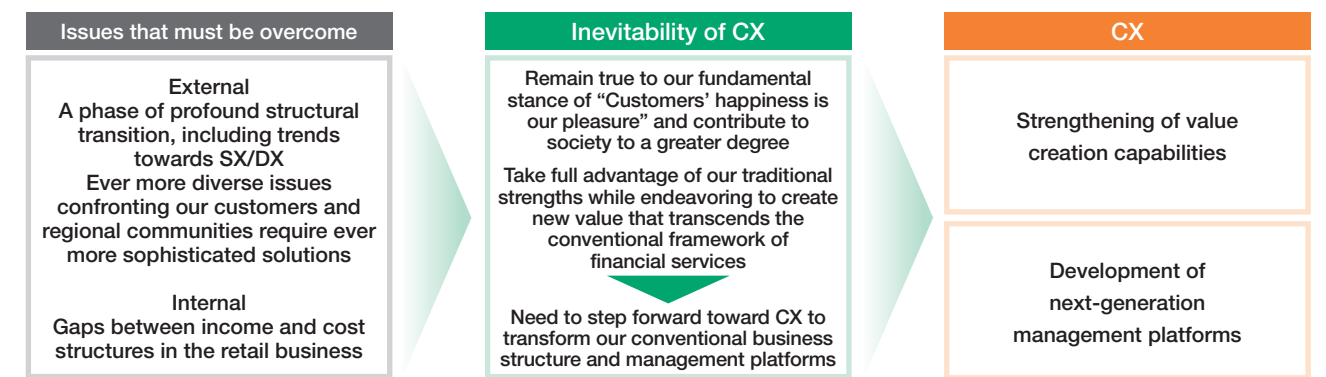
As I mentioned earlier, the new MMP is also referred to as the “first 1,000 days of taking on CX.” This phrase is intended to encourage each Resona Group officer and employee to take on the challenge of CX in a way that values what they can achieve in a single day amid an era of ever more rapid change like the current moment. Speed supports our competitiveness, and the daily accumulation of small but steady outcomes will eventually yield a big difference and increase the likelihood of the success of our CX.

Accordingly, based on a sound sense of shared crisis, we

would like to, day in and day out, leverage a speed-oriented approach to promote CX.

The launch of the new MMP happened to coincide with our transition to a new stage of capital utilization. It has been eight years since the full repayment of public funds, and we have to date promoted the strengthening of our capital. In both name and reality, we have thus graduated from the rehabilitation stage and are about to transition to a new stage of taking on new challenges and gearing up our efforts to realize “Retail No. 1.”

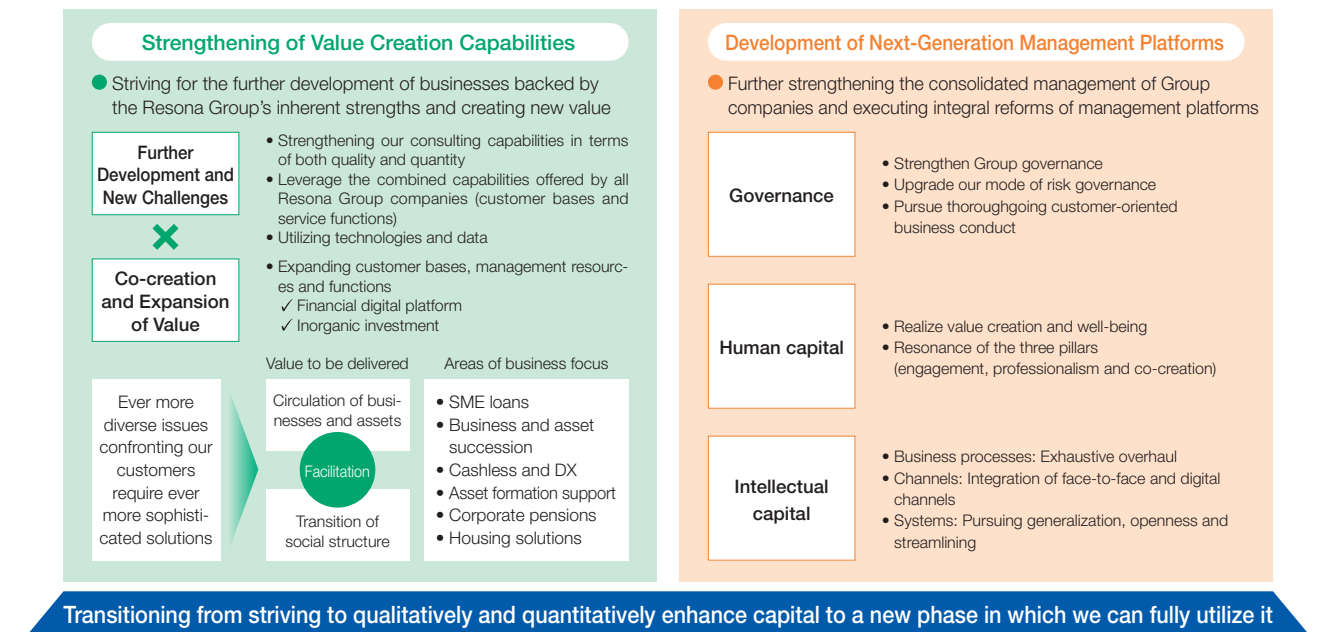
The formulation of the new MMP has involved reorganizing present issues that must be addressed by the Group to solidify the likelihood of realizing “Retail No. 1” even as we strive to grow into a financial institution sought after by customers to an even greater degree and capable of contributing to society in a significant way. Based upon our latest definitions of such issues, we have identified two pillars of the new MMP, namely, (1) Strengthening of value creation capabilities and (2) Development of next-generation management platforms, in order to adapt to changes attributable to such trends as sustainability transformation (SX) and digital transformation (DX) as well as further accelerate income and cost structure reforms.



Overview of the New MMP

Accelerate initiatives to realize “Retail No. 1”: The first 1,000 days of taking on corporate transformation (CX)
 – From rehabilitation to taking on new challenges –

- Adapt to changes in light of such trends as SX, DX, etc.
- Further accelerate income and cost structure reforms



Transitioning from striving to qualitatively and quantitatively enhance capital to a new phase in which we can fully utilize it

Strengthening Our Value Creation Capabilities

Further Development and New Challenges

Now, I will briefly explain specific initiatives now under way as part of the new MMP, starting with those related to strengthening our value creation capabilities. Addressing the diverse customer needs that will arise in connection with the circulation of businesses and assets on the back of transitioning social structures will be at the core of solutions we aim to deliver going forward. On the other hand, the options available to customers seeking solutions must be expansive. In addition, the Resona Group's fundamental approach to sustainability management starts with addressing the issues customers and society as a whole are confronting and thinking deeply about how to resolve such issues through our business so that we

can deliver new value through a combination of our services with innovation. Accordingly, looking ahead, we will encourage employees to always start their thinking by asking themselves whose future they are contributing to and empower them to do their best to resolve the ever more diverse and complex issues requiring ever more sophisticated solutions that our customers are confronting.

Furthermore, we will strive to raise our earnings power by rallying the overall strengths of the Resona Group even as we focus on such business fields as SME loans, business and asset succession, cashless and DX, asset formation support, corporate pensions and housing solutions.

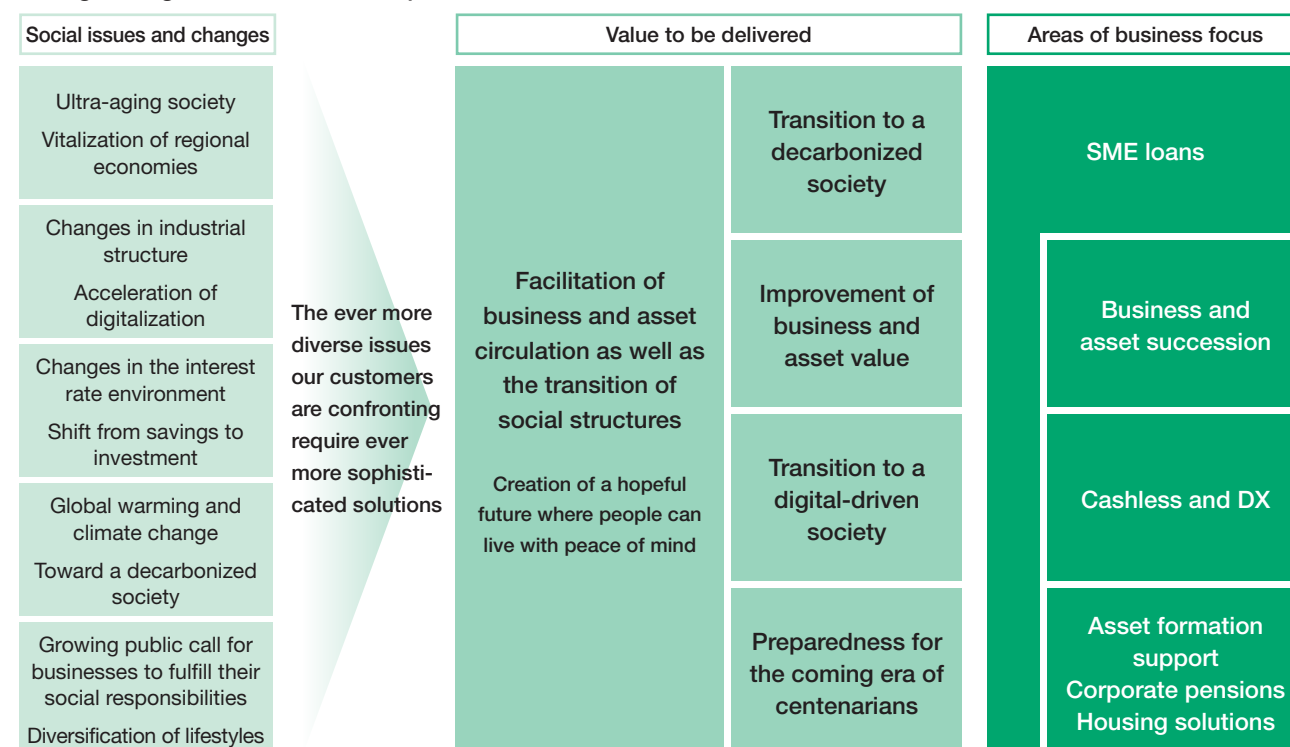
Co-creation and Expansion

It is also imperative to continuously explore new business possibilities by integrating external insights and skills with our own, fully utilizing technologies and data, and engaging in joint initiatives transcending the scope of the Group's customer base. These pursuits need to start from new ideas outside the conventional framework of finance. To this end, we should not only invigorate collaboration among Group members but also enter into alliances and other types of collaboration with partners from different sectors as well as regional financial institutions. Enhancing our overall organizational capabilities through these

wide-ranging collaborations is a matter of importance.

In this regard, we have made considerable progress in the development of our financial digital platform, through which we aim to enable regional financial institutions and partners from different sectors, as well as their customers, to establish and enjoy "win-win-win" relationships. Although the utilization of capital is defined as one of key initiatives under the new MMP, we are aiming for the further enhancement of our customer bases, management resources and functions by, for example, stepping up inorganic growth investment.

Strengthening of Value Creation Capabilities



Development of Next-Generation Management Platforms

Group Governance

My concepts regarding the importance of governance are as discussed earlier. Under the new MMP, we will endeavor to strengthen Group governance and further upgrade consolidated Group management. In this light, I feel that we have yet to fully utilize the potential of the Group in light of (1) the extensiveness of our customer base (consisting of 16 million individual customers and 500,000 corporate customers), (2) the diversity of Group functions, including those related to trust banking and real estate, and (3) the vast range of information available to us and needing to be utilized more effectively. Also, we are only halfway through the standardization of the back-office operations performed by every Group bank. Accordingly, it is undeniable that some aspects of our operational structure remain inefficient. The Resona Group's consolidated net income will be maximized only when the Group succeeds in rallying its comprehensive capabilities and thereby delivering even better solutions to as many customers as possible. To this end, we will work to establish a

universal mode of operations for departments charged with indirect or back-office operations while striving for the early achievement of our goals of overhauling business processes. In this way, we will maximize the time allocated for employees to think and take action to best serve customers while breaking away from the inherently cost-intensive nature of our retail operations.

We also consider the thorough practice of a customer-centric business approach foundational to retail financing. Said approach focuses on protecting the assets entrusted to us by customers from a variety of threats and providing those customers with safe and secure transactions. This, in turn, helps us win and retain our customers' trust. At the same time, balancing aggressive and protective measures is essential to securing sustainable growth for the Group in the face of an unclear and uncertain business environment. Taking these factors into account, we will strive to further increase the sophistication of our mode of risk governance.

Human Capital

Our initiatives to deliver the best possible value to customers are initiated by our human resources. Similarly, the success of the Group's sustainable growth, corporate innovation and all other undertakings hinges on our human resources. Right now, the Resona Group is poised on the threshold of a new stage in terms of investment in human resources.

Therefore, we will take an even more serious approach to the development of human resources even as we look into our ideals regarding what the Resona Group should look like and assess the changing times. This will involve reviewing our approach to human resource recruitment and training as well as wages. In these ways, we will proactively invest in our human resources.

Under the new MMP, we have set aside a cumulative total of ¥33.0 billion in additional funds for investment in human resources over its three-year course. Although forward-looking investment of this kind will not have an immediate effect, I consider it an important decision that should be executed at this point of time in light of the need to secure our competitiveness into the future.

We will also develop a framework for empowering Resona Group human resources to realize their full potential in diverse fields. Over the previous MMP period, we introduced a new, multi-path personnel system offering a total of 20 career courses under keywords of "specialty" and "diversity." The success of our operations going forward is dependent on whether the Resona Group can maintain a sound sense of shared crisis and continue to act as an originator of transformation. Accordingly, we will strive to ensure that our organization is robustly powered by a virtuous cycle in which individual employees spontaneously learn, think and take action. The

Resona Group will thus support employees' autonomous pursuit of personal growth and enable them to feel a greater sense of job fulfillment in a worker-friendly environment while creating a sustainable virtuous cycle of value creation and employee well-being. For details, please refer to CHRO Message (▶ pp. 30–31) and Development of Next-Generation Management Platforms: Human Resources (▶ pp. 66–73).



Intellectual Capital

The new MMP includes a IT investment plan amounting to approximately ¥120.0 billion, which is about 1.5 times as large as the investment budget under the previous MMP. We will promote DX by utilizing this investment and aim to update the customer experience and deliver new value to customers even as we aim for the reform of the cost structure of the Resona Group itself. Reflecting the scale of its involvement in digital service provision, in FY2023, the Resona Group was again included in the DX Stock selection. Due to the expertise and skills we have developed to date in the digital field via, for example, the enhancement of digital channels, we are now poised to take on the challenge of overhauling our traditional business processes. This overhaul will be the core of various transformative efforts under the new MMP. Just like investment in human resources, our forward-looking IT investment will not have an immediate effect. However, we are not postponing it and will decisively take on this challenge to secure sustainable growth for the Group.

By accelerating the integration of face-to-face and digital channels, we aim to transform contact points with customers and develop a foundation supporting next-generation retail financing. The establishment of a new mode of next-generation retail financing will require accommodating the growing trend toward digital-based connections with all customers. Leveraging these connections, we must also deliver in-depth consulting and other finely tuned face-to-face services. Moreover, the pace of the shift toward digital- and data-driven transactions has been clearly accelerating in the sphere of daily financial transactions. This accelerating shift can be seen among both corporate and individual customers. On the other

hand, for us to accommodate customer needs for the types of financing requiring highly sophisticated expertise, providing in-depth solutions centered on face-to-face consulting is essential. We believe that, accordingly, the latter type of financial services will be a focal point of our efforts to set the Resona Group apart from others. To secure our ability to respond to the shifts described above, it is extremely important to maintain diverse organizational capabilities within the Group as well as in-depth connections with external sources that can provide insights, including partners from different sectors. Fresh innovation often derives from a combination of different perspectives.

Among the initiatives to be undertaken during the new MMP period to update our face-to-face channels are the qualitative and quantitative enhancement of our consulting capabilities, the strengthening of customer contact points and the reallocation of management resources through the overhauling of business processes. Simultaneously, upon the integration of face-to-face and digital channels, we will push ahead with the further optimization of channel networks across the Group while clarifying the reason for maintaining branches in each region in which they are located.

In the digital field, we aim to raise the number of Banking App downloads to 10 million, which we have set as a milestone. We have identified another immediate target of increasing the usage ratio of branch-counter tablets to 50%, with an eye to breaking away from dependence on dedicated communication lines and terminals for use solely by financial institutions. Also, this field offers an ocean of possibilities with regard to ways in which we can deliver new value to customers through, for example, corporate settlement solutions.

Development of Next-Generation Management Platforms



Capital Management

Transitioning from the Qualitative and Quantitative Enhancement of Capital to a New Phase in Which We Can Fully Utilize It

We are now transitioning from striving to qualitatively and quantitatively enhance capital to a new phase in which we can fully utilize such capital. Our aims under the new MMP are clarified below.

Since the injection of public funds in 2003, qualitatively and quantitatively enhancing its capital has been Resona Group's foremost issue. As of March 31, 2023, the end date of the previous MMP, our ongoing efforts to tackle this issue proved successful as we met our target and recorded a CET1 capital ratio¹ of approximately 10%. Over the course of the new MMP period,

we will stay conscious of maintaining our CET1 capital ratio¹ at the 10% level while strategically allocating capital to growth investment and shareholder returns. Specifically, we will execute growth investment aimed at securing greater returns in fields in which we pursue organic and inorganic growth through the utilization of capital. We will step up budgeting for shareholder returns, aiming for a total shareholder return ratio of around 50% even as we continue to deliver a stable dividend stream.

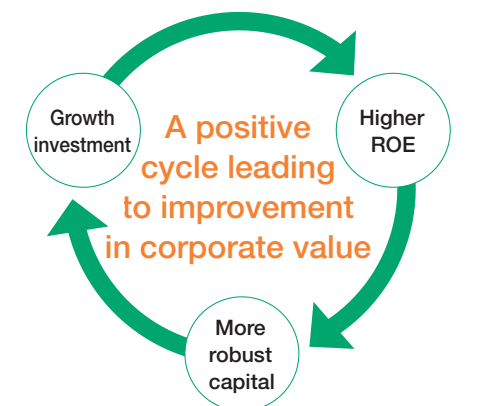
Numerical Targets

		Previous MMP		New MMP
		Target	FY2022 results	Target
Profitability	ROE (based on total shareholders' equity) ²	8%	7.6%	Aim for 8%
Financial soundness	CET1 capital ratio ¹	10%	Approx. 10%	10% level
Shareholder returns	Total shareholder return ratio	Mid-40% range	40.6%	50% level

¹ Based on the full enforcement of the finalized Basel 3 regulations under the international standard; excluding net unrealized gains on available-for-sale securities

² Net income attributable to owners of parent / Total shareholders' equity (simple average of the balances at the beginning and end of the term)

Utilize Capital to Improve Profitability (building a positive cycle of capital creation via capital utilization)



Initiatives to Improve Corporate Value

Currently, Resona Holdings' PBR is approximately 0.6 times (as of June 2023). Although stock prices are determined as a result of complex interactions among a variety of factors, I am personally frustrated by our current PBR, which largely falls short of 1.0, and take this situation seriously. I believe that for us to improve PBR, taking the twofold approach of improving

ROE and reducing capital costs is essential. Although specific measures to this end are described in CFO Message (pp. 22–28), I hereby express my determination to robustly promote initiatives to achieve the early improvement of PBR based on the approach described above.

Financial and non-financial approaches to improve corporate value

Toward the Improvement of PBR



KPIs under the New MMP

I would like to end this discussion of the new MMP by elaborating on the KPIs set out under it. Looking to the final year of the MMP, we are aiming for net income attributable to owners of parent of ¥170.0 billion. In addition, we will strive to achieve consolidated core income of ¥180.0 billion through the further acceleration of income and cost structure reforms while curbing consolidated cost income ratio to the lower half of the 60% range. These targets are premised on the interest rates staying at the current level for the next three years.

As for ROE (based on total shareholders' equity), we will continue to aim for 8%, a level exceeding capital costs. Our targets related to capital management are as described earlier. From the perspective of contributing to the realization of a sustainable society, we are also focused on being continuously chosen for inclusion in all domestic ESG stock indices selected by the GPIF. This is a target under the new MMP, as it was under the previous MMP.

KPIs under the MMP		FY2022 (Results)	FY2025 (Plan)
Realize income and cost structure reforms Optimization of the balance between financial soundness, growth investment and shareholder return	Net income attributable to owners of parent	¥160.4 billion	¥170.0 billion
	Consolidated core income ¹	¥163.6 billion	¥180.0 billion
	Consolidated cost income ratio	67.4%	Lower half of the 60% range
	ROE ²	7.66%	8%
	CET1 ratio ³	Approx. 10%	10% level
	Total shareholder return ratio	40.6%	50% level
Realize a sustainable society	ESG index selected by GPIF (domestic stock) ⁴	Included in all indices	Included in all indices

Assumptions for FY2025: Overnight call rate: (0.05)%, Yield on 10Y JGB: 0.40%, Nikkei 225: ¥28,000

¹ Net interest income from domestic loans and deposits + Interest on yen bonds, etc. (interest on yen bonds and income from interest rate swaps) + Fee income + Operating expenses

² Net income / Total shareholders' equity (simple average of the balances at the beginning and end of the term)

³ Based on the full enforcement of the finalized Basel 3 regulations under the international standard; excluding net unrealized gains on available-for-sale securities

⁴ FTSE Blossom Japan Index, FTSE Blossom Japan Sector Relative Index, MSCI Japan ESG Select Leaders Index, S&P/JPX Carbon Efficient Index series, MSCI Japan Empowering Women Index and Morningstar Japan ex-REIT Gender Diversity Tilt Index

Long-Term Sustainability Indicators

In conjunction with the formulation of the new MMP, we have updated our Long-Term Sustainability Targets for FY2030 by newly incorporating Long-Term Sustainability Indicators, with the aim of accelerating our pursuit of sustainable improvement in social and corporate value. Along with conventional targets, newly included indicators (those marked with "NEW") are presented in the diagram featured in the upper half of the facing page.

First, the newly identified Value Creation Capability Indicator is designed to measure the degree of our success in delivering a diverse range of solutions to corporate and individual customers. We will strive to nearly double the annual number of solutions provided from 10.5 million cases as of March 31, 2023 to 20 million in FY2030. In line with this target, we will strive to become the "Retail No. 1" Solution Group focused on delivering

optimal value to customers. Second, we have issued a Declaration of Net-zero Greenhouse Gas Emissions in the Investment and Financing Portfolio. Based on this declaration, we aim to reduce greenhouse gas (GHG) emissions from this portfolio to net zero by 2050 and, to this end, have newly disclosed our interim target for FY2030 for the energy sector. Third, we have incorporated a Well-Being Indicator. This is measured by the ratio of positive responses to questions in employee surveys regarding a sense of fulfillment felt in work and private life. We will aim to improve this ratio from the current 69.3%. To this end, we will step up initiatives to enhance our human capital and implement a variety of measures to enable employees to stay healthy, emotionally and physically, even as they enjoy a greater sense of fulfillment in both work and private life.

Long-Term Sustainability Indicators

Aiming for sustainable improvement in social and corporate value

		FY2022 (results)	FY2030 (target levels)
Value for customers and society	NEW Value Creation Capability Indicator Number of cases where solutions are provided	10.5 million cases	20 million cases
	Retail Transition Financing Target	Cumulative total: ¥1.865 trillion	¥10 trillion
Environmental value	NEW Declaration of Net-zero Greenhouse Gas Emissions in the Investment and Financing Portfolio	—	(2050: Net zero)
	NEW Interim target for the energy sector (Portfolio carbon intensity)	139 gCO ₂ e/kWh (FY2021)	100–130gCO ₂ e/kWh
	Carbon Neutrality Target (Scopes 1 & 2)	vs FY2013 (56)%	Net zero
Social value	Targets for the Empowerment and Promotion of Women Ratio of female directors and executive officers (Resona Holdings) Ratio of female senior managers (6 Group companies ¹) Ratio of female line managers (6 Group companies ¹)	15.3%	30% or more
		13.4%	20% or more
		31.4%	40% or more
Value for employees	NEW Well-Being Indicator Ratio of positive responses in questionnaires regarding a sense of fulfillment felt in work and private life as part of employee surveys	69.3%	Increase the ratio of positive responses

¹ Sum of Resona Holdings, Resona Bank, Saitama Resona Bank, Kansai Mirai Financial Group, Kansai Mirai Bank and Minato Bank

Final Words

The Resona Group is about to mark a major milestone on its journey, namely the 20th year since the injection of public funds under the Deposit Insurance Act, an event we call the "Resona Shock," in 2003.

The Resona Group as it stands today is the product of generous support extended by customers, shareholders, regional societies and other diverse stakeholders over the course of 20 years of radical changes.

As President, I would like to hereby express my wholehearted gratitude to all those who have supported our endeavors leading up to this milestone year.

At the same time, I believe that we must ensure that various lessons learned in the course of rehabilitation are properly passed down to the next generation and ingrained in the Group's "DNA." Furthermore, we need to move forward from the rehabilitation stage to take on new challenges of realizing "Retail No. 1" while, in this milestone year, refreshing our strong commitment to achieving a revival akin to the Group's re-founding.

Looking ahead, we will remain true to our fundamental stance of "Customers' happiness is our pleasure" and continue to do our utmost as a financial group to help resolve issues our customers and society as a whole are confronting.

We ask our stakeholders for their continued support and encouragement of the Resona Group's endeavors to take on new challenges.

